

PRESS RELEASE (#1)

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Connectivity is the Key to Inclusive Growth

3 October 2013 (Bali, Indonesia) – Strengthening regional connectivity – physical, institutional and people-to-people links – will ensure sustainable, balanced and inclusive growth in Asia-Pacific economies which are still recovering from the global crisis, said business, government, academic and media leaders in a seminar jointly organized by the Pacific Economic Cooperation Council (PECC) and the Boao Forum for Asia. This is especially important at a time of uncertainty when economies are still recovering from the global crisis and must focus on the quality of growth and not just GDP figures, they stressed.

“People-to-people connectivity has to do with immigration, customs, security, transportation and tourism issues,” Dr. Mari Pangestu, Indonesian Minister of Tourism and Creative Economy, told participants in one session. “It is about fast and secure travel through visa and travel facilitation, improving logistics and information-sharing, smart use of technology and cutting red tape while not compromising security. This is complex and needs coordination across borders.”

Connectivity is a key theme for the Asia-Pacific Economic Cooperation (APEC) forum this year. At the APEC Economic Leaders’ Meeting that is scheduled to start on 7 October, leaders are to adopt a Connectivity Framework to enhance integration across member economies. The one-day PECC-Boao Forum for Asia seminar brought experts and thought leaders together to discuss ways to deepen connectivity in the region and the opportunities that greater connectivity will create.

“We need to reduce poverty by providing better opportunities for people to benefit from globalization,” PECC Co-Chair Mr. Jusuf Wanandi explained. “This means better education and the ability to access the global market.” Mr. Zhou Wenzhong, Secretary General of the Boao Forum for Asia, agreed. “Many APEC economies are faced with the dilemma of growth and structural reform. But without painstaking reforms, growth will not be sustainable.” He added: “Strengthening infrastructure in the region can spur growth, generate jobs, and lay the foundations needed for structural reforms. While financing is available, the platforms to share information about projects do not yet exist.”

Since Indonesia last chaired APEC in 1994, the region has cut tariffs, eased cross-border business and doubled incomes. Yet the development gap within and among member economies has widened, according to PECC’s *State of the Region 2013-2014* report, which was released at the seminar. While over the past two decades APEC has focused on removing barriers, the next stage is to build and strengthen connectivity domestically and regionally to ensure higher-quality inclusive growth.

In his keynote speech at the seminar, Dr. Taleb Rifai, Secretary General of the World Tourism Organization, acknowledged the substantial growth of the middle class in the Asia-Pacific, but underscored the importance of increasing investment in education, skills training, transport and the mobility of people. “Air transport market liberalization is a critical issue,” he asserted. “We need to have people freely moving around the world.” Asked what one measure should be the top priority for boosting connectivity in the region, Dr. Rifai replied: “Eliminate visas.”

While many barriers have come down, there are significant problems that prevent businesses, especially small and medium-size enterprises (SMEs), from benefitting from regional integration, seminar participants concluded. APEC must focus on trade facilitation, regulatory coherence and cooperation, streamlining customs procedures and promoting financial cooperation. The cost of trading across borders is estimated at

US\$2 trillion. A global trade facilitation agreement would streamline customs and border procedures, leading to benefits of around US\$1 trillion.

“We welcome the participation in our efforts of non-APEC ASEAN members, as well as experts from India and Bangladesh,” said Ambassador Don Campbell, Co-Chair of PECC. “True to the meaning of open regionalism, we need to make sure that, as we improve connectivity, no one is left out. It is definitely the right direction to take to ensure that all economies benefit from deeper integration.”

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About the Pacific Economic Cooperation Council

The Pacific Economic Cooperation Council (PECC) is a non-profit international organization committed to the promotion of cooperation and dialogue in the Asia Pacific. Founded in 1980, PECC is a tripartite network of 26 member committees comprising individuals and institutions dedicated to this shared mission. Of the 26 member committees, 23 represent the economies of Australia, Brunei Darussalam, Canada, Chile, China, Colombia, Ecuador, Hong Kong (China), Indonesia, Japan, Korea, Malaysia, Mexico, Mongolia, New Zealand, the Pacific Islands Forum, Peru, the Philippines, Singapore, Chinese Taipei, Thailand, the United States of America, and Vietnam. The PECC also has one associate member, France (Pacific Territories), and two institutional members, the Pacific Trade and Development Conference and the Pacific Basin Economic Council. As the only non-governmental official observer of APEC (Asia-Pacific Economic Cooperation), PECC provides independent business and research input for the regional policy-making process. www.pecc.org

About the Boao Forum for Asia

As a non-government, non-profit international organization, Boao Forum For Asia (BFA) is the most prestigious and premier forum for leaders in government, business and academia in Asia and other continents to share visions on the most pressing issues in this dynamic region and the world at large. The Forum is committed to promoting regional economic integration and bringing Asian countries even closer to their development goals. Initiated in 1998 by Fidel V. Ramos, former President of the Philippines, Bob Hawke, former Prime Minister of Australia, and Morihiro Hosokawa, former Prime Minister of Japan, Boao Forum for Asia was formally inaugurated in February 2001. Countries across the region have responded with strong support and great enthusiasm, and the world has listened attentively to the voice coming from a tiny, quiet and scenic island at the southernmost part of China – Boao, the permanent site of the Annual Conference of the Forum since 2002.